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ACTION EAP-01

INFO LOG-00 ACDA-13 AIT-03 AMAD-01 CIAE-00 DODE-00 DPR-01
EB-01 HA-09 H-01 INRE-00 INR-01 LAB-04 L-03
ADS-00 NSAE-00 NSCE-00 OMB-01 PA-01 PM-01 PRS-01
P-01 SIL-01 SNP-01 SP-01 SS-01 TRSE-00 T-01
USIE-00 /048W

-----B7830C 160735Z /38

P 160732Z DEC 91
FM AMCONSUL GUANGZHOU
TO SECSTATE WASHDC PRIORITY 3004
INFO AMEMBASSY BEIJING PRIORITY
AMCONSUL SHANGHAI
AMCONSUL SHENYANG
AMCONSUL HONG KONG
AIT TAIPEI 1508

DEPARTMENT OF STATE
() RELEASE () DECLASSIFY
() EXCISE () DECLASSIFY
() DENY IN PART

IM/IPS/CR/IT/... Date: 3/19/97

EO Citations

FOIA Exemptions () CLASSIFY as () S or () C Sec.
PA Exemptions () DOWNGRADE TS to () S or () C

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BEIJING PLEASE PASS SCR THOMAS GRAY

BEIJING PLEASE PASS CHENGDU

E.O. 12356: N/A
TAGS: PGOV, ELAB, SHUM, CH
SUBJECT: TRACKING DOWN PRISON LABOR TEA

REFS: A) TELCON TKACIK/GRAY 12/12/91
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B) FAX GRAY/TKACIK 12/13/91
C) TEL/FAX WILLIAMS/GRAY 12/13/91
D) GUANGZHOU 01143

1. REFS A AND B CONCERN REPORTS PUBLISHED IN ENGLISH-
LANGUAGE HONG KONG DAILY "SOUTH CHINA MORNING POST"
(SCMP) IN RECENT WEEKS (NOVEMBER 30 AND DECEMBER 11)
THAT IDENTIFY THE RED STAR TEA FARM (HONG XING CHA
CHANG) AS A FORCED LABOR CAMP PRODUCING TEA FOR EXPORT
TO THE UNITED STATES. THE RED STAR TEA FARM IS LOCATED
IN YINGDE COUNTRY IN GUANGDONG PROVINCE NORTH OF
CAPITAL GUANGZHOU. THE CHINA NATIONAL NATIVE PRODUCE
AND ANIMAL BY-PRODUCTS IMPORT AND EXPORT CORPORATION
EXPORTS TEA TO THE UNITED STATES UNDER THE "YINGDE"
BRAND NAME AS WELL AS SELLING IN BULK TO U.S. TEA
RETAILERS.

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2. CONSULATE POLITICAL OFFICER GARY WILLIAMS AND FOREIGN COMMERCIAL OFFICER DENNY BARNES MET DECEMBER 13 WITH MU YOUWEI, THE MANAGING DIRECTOR OF THE GUANGDONG TEA BRANCH OF THE ABOVE MENTIONED IMPORT EXPORT CORPORATION. THIS MEETING WAS REQUESTED IMMEDIATELY FOLLOWING THE FIRST PUBLICATION OF SCMP'S ACCUSATION CONCERNING FORCED LABOR TEA PRODUCTS FOR EXPORT TO THE U.S. (A SECOND SCMP ARTICLE ON DECEMBER 11 REPORTED U.S. CUSTOMS WAS CONSIDERING A BAN ON YINGDE TEA R"ZAQSU OF THE APPARENT CONNECTION WITH A FORCED LABOR CAMP.) MU DENIED THE SCMP REPORT AND SAID NO CHINESE TEA COULD BE LEGALLY EXPORTED EXCEPT THROUGH HIS ORGANIZATION. HE SAID "TO HIS KNOWLEDGE" NO TEA PRODUCED IN FORCED LABOR (I.E., "REFORM THROUGH LABOR")

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CAMPS OR PRISONS WAS EXPORTED FROM GUANGDONG PROVINCE.

3. MU THEN EXPLAINED THE RED STAR TEA FARM IN YINGDE COUNTRY WAS, IN FACT, A FORCED LABOR CAMP. BUT HE SAID ITS PRODUCT WAS NOT EXPORTED BY HIS CORPORATION. HE PRESENTED SAMPLES OF YINGDE BRAND TEA (AS WELL AS BAGGED SAMPLES PREPARED FOR BULK BUYERS) AND RED STAR BRAND TEA. BOTH THE PACKAGING, LABELING, AND THE TEA WERE CLEARLY DIFFERENT IN APPEARANCE AND QUALITY. HE DENIED ANY KNOWLEDGE OF THE WENQUAN (HOT SPRINGS) TEA FARM WHICH, ACCORDING TO REF B, HAS ALSO BEEN IDENTIFIED AS A FORCED LABOR CAMP. HE SAID THE WENQUAN TEA FARM, IF IT EXISTED, DID NOT SUPPLY TEA TO HIS CORPORATION.

4. WILLIAMS EXPLAINED TO MU WHILE THE SAMPLE PACKAGES OF TEA FROM YINGDE SUGGESTED THE SCMP ARTICLE MIGHT BE IN ERROR IT WAS ABSOLUTELY ESSENTIAL U.S. OFFICIALS WITH RESPONSIBILITY FOR DEALING WITH THIS ISSUE HAVE THE OPPORTUNITY TO VISIT YINGDE AND SEE FOR THEMSELVES HOW THE TEA IS PACKAGED. HE EXPLAINED HONG KONG BASED SENIOR CUSTOMS REPRESENTATIVE THOMAS GRAY COULD COME TO GUANGDONG FOR SUCH A VISIT AROUND DECEMBER 20 OR LATER. MU SAID HE WOULD TRY TO ARRANGE SUCH A TRIP. HE SAID HE DID NOT KNOW, HOWEVER, IF HE COULD ARRANGE ENTRY INTO THE RED STAR TEA FARM. MU ALSO PROVIDED A WRITTEN REPORT, IN ENGLISH AND CHINESE AND ADDRESSED TO THE CONSULATE, DESCRIBING TEA PRODUCTION IN YINGDE COUNTY AND DENYING ANY CONNECTION BETWEEN YINGDE BRAND TEA (OR OTHER CHINESE TEAS) FOR EXPORT AND FORCED LABOR CAMP TEA PRODUCTION. FOLLOWING THIS MEETING, WHICH

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CONCLUDED JUST PRIOR TO COB ON A FRIDAY AFTERNOON,
WILLIAMS REPORTED THIS INFORMATION BY TELEPHONE AND FAX
IMMEDIATELY TO SCR GRAY IN HONG KONG (REF C).

5. TWO DAYS EARLIER, ON DECEMBER 11, DURING AN EVENING
DINNER FOR A VISITING STAFFDEL, GUANGDONG FOREIGN
AFFAIRS OFFICE DIRECTOR HUANG QUN AND COFERT DIRECTOR
XU DEZHI TOLD CONSULATE ECONOMIC OFFICER LEE BRUDVIG
THERE WAS NO TRUTH TO THE SCMP ARTICLE (NOVEMBER 30)
CONCERNING YINGDE TEA. XU SAID HIS OFFICE HAD
THOROUGHLY RESEARCHED THE ACCUSATION AND DETERMINED
THERE WAS "NOT A SHRED OF TRUTH" TO IT. HE OFFERED TO

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	EB-01	HA-09	H-01	INRE-00	INR-01	LAB-04	L-03
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	P-01	SIL-01	SNP-01	SP-01	SS-01	TRSE-00	T-01
	USIE-00	/048W					

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P 160732Z DEC 91
FM AMCONSUL GUANGZHOU
TO SECSTATE WASHDC PRIORITY 3005
INFO AMEMBASSY BEIJING PRIORITY
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SET UP A VISIT TO THE YINGDE AREA INCLUDING THE RED
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STAR TEA FARM. HE DID NOT, HOWEVER, IDENTIFY THE RED
STAR TEA FARM AS A FORCED LABOR CAMP.

6. COMMENT. THERE MAY WELL BE SOME CONFUSION BETWEEN
FORCED LABOR CAMP TEA PRODUCED FOR DOMESTIC CONSUMPTION
AND OTHER TEA DESTINED FOR EXPORT AND PRODUCED IN THE
SAME AREA BY NONPRISON LABOR WORKERS. A VISIT TO
YINGDE AND TO THE RED STAR TEA FARM MAY ENABLE US TO
CLEAR THIS MATTER UP. WE WILL PRESS HARD TO SET UP
THIS VISIT. WE ARE, IN ANY EVENT, ENCOURAGED BY LOCAL
REACTION TO THE SCMP ARTICLE AND THE APPARENT
WILLINGNESS OF GUANGDONG OFFICIALS TO PROVIDE US
EVIDENCE IN THEIR DEFENSE. THE ORIGINAL SCMP ARTICLE
ON RED STAR TEA SAID IT WAS SOLD IN THE GUANGZHOU
FLOWER CITY ENTERPRISE AND ASSORTED GOODS SHOP, WHICH
IS OWNED BY A LOCAL PRISON. WE HAVE IDENTIFIED IN
PREVIOUS REPORTS (REF D) THIS PRISON AS A POSSIBLE
EXPORTER OF FORCED LABOR PRODUCTS TO THE U.S. A
REQUEST TO VISIT THIS PRISON HAS BEEN PENDING FOR
ALMOST TWO MONTHS. MU YOUWEI'S REPORT TO US DENIED ANY
CONNECTION BETWEEN HIS CORPORATION AND THIS PRISON.

HARTER

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*** Current Classification *** LIMITED OFFICIAL USE